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SoFiMa

VÕRU COUNTY DEVELOPMENT CENTER SOCIAL ENTREPRENEURSHIP INCUBATOR

Activity Report 2022



**VÕRUMAA
ARENDUSKESKUS**

The Võru County Social Entrepreneurship Incubator was implemented from September 2021 to February 2022 within the framework of the project "Kick-starting the scenting social Finance Market in Estonia (SoFiMa)". The aim of the incubation program was to support ideas and teams with the potential for social entrepreneurship or existing social enterprises and to help them increase their ability to attract investment.

The consortium of the SoFiMa project includes the Baltic Innovation Agency, Tallinn University, Võrumaa Development Centre, and the Estonian Network of Social Enterprises. The project is also supported by AS SEB Pank and Buildit, an accelerator for hardware and IT start-ups.

This activity report provides an overview of the program and its participants. The report also addresses the strengths and weaknesses of the program and makes recommendations for improving the implementation of similar programs in the future. The program was designed by Katrin Volman from Võrumaa Development Centre.

The incubation program was co-funded by the European Commission "Employment and Social Innovation" through EaSI 2014-2020. One of the aims of the EaSI program is to promote employment and social inclusion by improving access to finance for social enterprises while also supporting the development of a financial market for social enterprises.

For further information, please consult: <http://ec.europa.eu/social/easi>

For more details on the project and the Võru county incubation program please contact Katrin Volman at katrin.volman@vorumaa.ee

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Table of contents

Structure of the program	3
The incubation processes	3
Topics of the program	4
Participants of the incubation program	6
Participants' selection process	6
Profiles of participating teams	6
Expectations of participating teams	6
Impact of the incubator	7
Future development and recommendations	8
Application phase	8
Selection phase	8
Incubation	9
Follow-up activities	10

Structure of the program

The incubation processes

The incubation program was conducted over a 6-month period from September 2021 to February 2022. The first teams were selected for the incubation program in March at a social hackathon "Vunki mano! loometalgud" in Võru county. During the three-day hackathon, the teams developed their ideas for improving local life and community-related problems. On the last day, summaries were being made, and prizes were awarded. The two teams with the most social entrepreneurial potential were given the opportunity to participate in the SoFiMa incubation program as a prize.

During the month of April, anyone who wanted to apply for the incubation program could do it by filling out an application on Microsoft Forms. The questionnaire included questions and solutions to be addressed, funding opportunities and plans, team member competencies, development needs, and motivation to participate in the incubation program. The aim of the Võru county incubation program was to focus on solving the community problems of sparsely populated rural areas. In May, eligible participants were confirmed for the incubation program, with a total of ten teams. By autumn, when the program was launched, two teams had given up their participation, as their team's work had already developed during the summer, and they did not have the opportunity or need to participate in the incubation program. Therefore, the programme started with eight teams.

At intervals of a few weeks, the teams participated in four six-hour training days. The first two trainings took place as a joint meeting in the physical training room. The next two trainings were conducted online on the Teams and Zoom platforms due to coronavirus restrictions. MS Teams or Zoom were chosen depending on the experience and opportunities of the trainer; the team members were familiar with both. At the end of each training day, the teams were given one homework task to complete by the next training day. Between the two training days, the teams could also have an additional meeting with the trainer to get feedback on their work.

After the first day of training, another team withdrew, not giving reasons. After the fourth day of training, another team gave up. The fourth team that withdrew explained that during the program, they found out that the idea they came up with at the beginning was not exactly what they wanted to do, but they received good enough training and homework instructions on how to continue with their new idea on their own. Thus, by the mid-term review, six teams were still in the incubation process.

Mid-term reviews were conducted in early December. Each team had to prepare a 3-minute presentation, in which they briefly introduced their topic, gave an overview of where they had started, what the main lessons and developments had been, what their future plans were. Their developments were presented at an online session to a jury of members of the SoFiMa consortium, who selected three of the six teams whose development was most noticeable and the idea clearest. The three selected teams were able to participate in two more training days.

The closing event of the program, the Demo Day, a bigger networking event of the SoFiMa project, took place in Tartu at the beginning of February, where the teams had a chance to network with the teams from the Tallinn University Incubator and pitch to a jury of people with

(impact) investment experience. The teams received valuable feedback from the jury members, and the best ones were also awarded prizes.

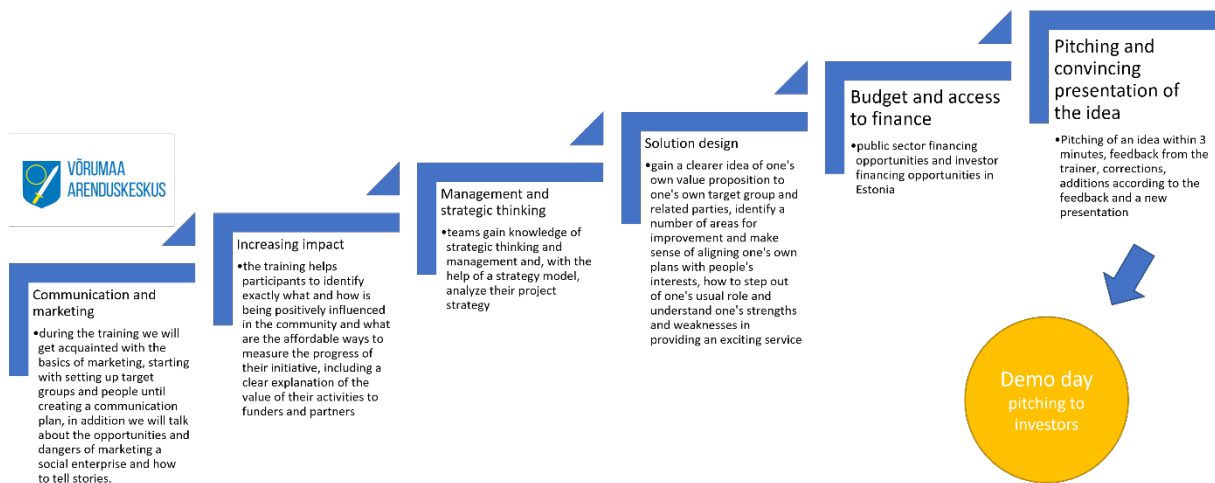


Palumõisa team leaders from Võru county incubator with their two prizes on Demo Day on 03.02.2022

Topics of the program

When compiling the training program, a couple of similar training programs in Estonia that help develop and support community ideas were taken as an example. The program was compiled by Katrin Volman, who also advises local NGOs and communities daily. The compilation of the program was based on the development needs of the teams as well as the work and consulting experience of Katrin Volman. The choice of trainers was made based on the previous experiences of the employees of the development centre as well as the SoFiMa consortium members, and those connected to Võru county or Southern Estonia were preferred.

The incubation programme consisted of six thematical workshops illustrated on the following graph:



Võru county incubation program workshops. All workshops were facilitated by experts in that field.



(Hybrid) workshop on making a pitch to investors. Organised as a part of the Demo Day on 03.02.2022

Participants of the incubation program

Participants' selection process

Teams that qualified to participate in the program had to meet the following criteria:

- the idea / enterprise had to solve a social, community, educational, health or environmental problem;
- the idea / enterprise had to be able to earn its own income, or there had to be an initial plan on how the idea / enterprise could be financed;
- the idea / enterprise had to have 2-3 team members;
- the idea / enterprise had to benefit Võru county

Participants were found from a social hackathon "Vunki mano! loometalgud" and through an open call, about which information was shared on the website of Võrumaa Development Centre and in social media, in information letters of Võru county entrepreneurs and NGOs.

A total of eight applications were received through the form on the website of Võrumaa Development Centre - seven ideas concerned developments in Võru county; one was mainly in Viljandi county but planned to expand its activities to Võru county. All ideas met the set criteria and were selected as participants in the incubation program.

Profiles of participating teams

The teams all came up with new ideas and none of them was registered as an enterprise. This was not a prerequisite for the participation of teams either, as funding opportunities from the public sector are available to NGOs in Estonia, while private limited companies are more attractive to investors, as investors can get a share of the company. Two teams operated as NGOs, and both had long experience in this field. One team consisted of municipal employees. The members of the other teams had experience in teamwork, writing and implementing projects, volunteering, and non-profit activities. For example, the ideas included a self-sufficient rural community for the elderly, a web portal for communication between the community (including the exchange of leftover food), premises for people with special needs to study carpentry and furniture restoration, and car orienteering on the streets of a small town to reduce the noisy driving of young people.

Expectations of participating teams

Through the incubation program, participants wanted to get the perspectives and opinions of bystanders on how to develop their ideas and approach them from a different angle. With the help of professionals, they wanted to develop their ideas and get support and new impetus for a thought that had been on their minds for a long time. The teams wanted to contribute to the development of the region and increase the quality of life and the value in their hometown. In addition, the teams sought to make their services better, contribute to the development of their NGO and learn from the experiences of others. The participants were also motivated to gain new skills to solve a long-standing problem in society.

Impact of the incubator

At the end of each training day of the incubation program, feedback on the training was gathered, and the participants were asked to point out the ideas and new skills they would bring from the training day to their activities.

The participants found all the training days and topics very developmental and necessary and received a lot of new ideas and confirmation of their own actions. On the positive side, it was pointed out that the commitment to do homework helped to move the idea forward and was not delayed to the distant future due to other urgent activities like it would often happen after training programs.

The most positive feedback was given to the strategic planning and management module. NGOs and community-based enterprises operate largely with enthusiasm and voluntarily, and less time is found for rethinking their activities strategically and writing down long-term plans. It was found that thinking about the big picture and the action gives a better meaning to the action and helps the team members to better understand the common goals.

The pitching trainings, which were given to Võru county teams in two different variants, were very practical, the teams had a chance to think through a present their ideas clearly, and during the Demo Day the finishing touches helped to present their ideas attractively in a short time.



First training day of Võru county incubator, communications with Erkki Kubber from Social Enterprise Estonia, 29.09.2021



Group photo of all participants of the Demo Day on 03.02.2022.

Future development and recommendations

Application phase

As the ideas of the participants in the incubation had different levels of maturity, it would be important to even out the differences early in the incubation program. It is important to better think about the sequence of modules in the program. To start with more general topics related to organisation and action planning and move on to the details, like target groups, communication tools, funding opportunities, etc. The order of the current program modules in Võru county also changed due to the coronavirus. In the application phase, a questionnaire is certainly important to keep questions about the team's competencies and development needs and motivation to participate during the application process, as well as confirmation that they are ready to participate in at least 80% of the training days. It was also a good experience for each team to provide their own contact person through whom all communication between the program coordinator and participants took place.

Selection phase

The selection of Võru county teams was made in the spring, and the program started only in the autumn. There were several months between the start of the selection program, during which a lot can change during activities that are only at the level of an idea and where the team is

assembled for that program. It would be better if the difference between applying and starting the program were shorter.

Incubation

Based on the feedback from the participants, the lessons learned from the training were very useful for the development of their idea. The teams gained knowledge and new perspectives on challenging topics, but they were also more motivated to make new progress between each meeting. In addition to ongoing individual support, this should help teams bridge existing skills gaps and further increase the positive impact of the program on the social idea / enterprise. Homework assignments given after each training day were also important, helping the teams to stay afloat and actively develop their ideas. Meetings with each other, where you could get acquainted with other ideas and exchange ideas, network, were considered very valuable. Therefore, there was a slight decrease in motivation when the training program had to be transferred to the web. Those who were able to participate in the Demo Day physically got a very positive emotion, made new acquaintances and were very satisfied. Hopefully, in the future, similar training programs will be able to bring people together in one room.



Benefits of having an on-site meeting. Second training day of Vöru county incubator, 15.10.2021.

Follow-up activities

To increase the long-term impact of the incubator, several activities could be arranged to keep the participants' engaged after graduation from the program and to increase the sustainability of their projects.

Firstly, establishing a network of past participants would help the teams to gain advice and insight about the program itself, as well as connections for potential cooperation/partnerships. In addition, access to the network could also be beneficial for spreading knowledge about the program, which might result in an increase in applications for each incubation round.

Access to expert consultations after graduating from the program would also be beneficial for participating teams. This would further support the development of the social ideas/enterprises after finishing the program but also motivate them to stay connected with the organisers and the network in general.

One way of making the program even more useful for the teams would be to establish a dedicated financial instrument only for the graduates of the program. Many early-stage social initiatives/enterprises are challenged with finding appropriate financing methods. A program-specific financial instrument would increase the sustainability of the initiatives/enterprises after finishing the incubation program by enabling them to take the next step in their development process. The instrument would also increase the value of the program from the perspective of new applicants.

Võru County Development Centre plans to continue with social hackathons and, if possible, with various projects and projects application rounds to encourage these new ideas with incubation programmes focusing on solving social and community problems. There are no definite plans, but hopefully, in a year or two, it will be possible to organise a similar incubation program for social enterprises.